



July's Home Prices Increase by 5.5%, Breaking a Two-Year Record

Entry-level priced homes, which continue to be in short supply, are, **helping to drive strong price gains**. CoreLogic says home prices nationwide, including distressed sales, **increased year over year by 5.5 percent** in July 2020 and were up 1.2 percent compared to the previous month. The annual increase was the fastest in nearly two years.

The company said the "one-two punch of strong purchase demand - bolstered by falling mortgage rates, which dipped below 3 percent for the first time ever in July - and further constriction of for-sale inventory has driven upward pressure on home price appreciation."

Dr. Frank Nothaft, CoreLogic's chief economist said, "Lower-priced homes are sought after and have had faster annual price growth than luxury homes. First-time buyers and investors are actively seeking lower-priced homes, and that segment of the housing market is in particularly short supply."

CoreLogic Home Price Increase (HPI) **Forecast is for home prices to increase from July 2020 to August 2020 by 0.1 percent** and by 0.6 percent from July 2020 to the same month in 2021. The HPI report says growth will slow over the next year, reflecting the anticipated elevated unemployment rates during the next year. "This could lead to an increase of distressed-sale inventory as continued financial pressures leave some homeowners unable to make mortgage payments, especially as forbearance periods come to a close."

"On an aggregated level, the housing economy remains rock solid despite the shock and awe of the pandemic," according to Frank Martel, CoreLogic president and CEO. "A long period of record-low mortgage rates has opened the flood gates for a refinancing boom that is likely to last for several years. In addition, after a momentary COVID-19-induced blip, purchase demand has picked up, driven by low rates and enthusiastic millennial and investor buyers. Spurred on by strong demand and record-low mortgage rates, we expect to see more home building in 2021 and beyond, which **should help support a healthy housing market for years to come.**"

Home prices were up year-over-year in every state. The greatest increases were in Idaho (9.8 percent), Maine (9.1 percent), and Arizona (9 percent).



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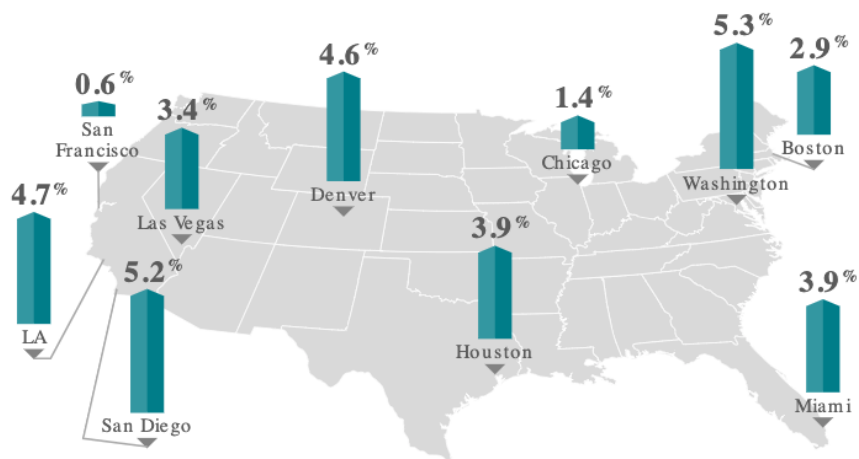
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CoreLogic says even as the national rate of price increases accelerates, **local markets continue to fluctuate**. Homebuying activity is becoming more pronounced in traditionally affordable suburban and rural areas that allow for more space as schools and work remain online. The company points to Nassau and Suffolk counties on Long Island where prices grew 4.3 percent in July, as residents migrate away from more densely populated areas like the New York-Jersey City-White Plains metro, which recorded only a 0.4 percent increase.

The HPI Forecast is for the disparity across metro areas to continue. In markets like Las Vegas, where the local tourism economy and job market continue to struggle from the effects of the pandemic, home prices are expected to decline 7.8 percent by July 2021 while the tight inventory in San Diego is predicted to drive prices up 5.8 percent.

The CoreLogic Market Risk Indicator (MRI), a monthly update of the overall health of housing markets across the country, predicts that metro areas with an elevated resurgence of COVID-19 cases - like Prescott, Arizona and Miami, Florida - are at the greatest risk (above 70 percent) of a decline in home prices over the next 12 months. Other metro areas with a high risk of price declines include Lake Charles, Louisiana; Huntington, West Virginia; and Las Vegas.